FAMILY CRISIS CENTER OF PRINCE GEORGE'S COUNTY, INC.

GRANT AUDIT
July 2015 – January 2018

OFFICE OF AUDITS AND INVESTIGATIONS
Prince George's County
Upper Marlboro, Maryland

TABLE OF CONTENTS

THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 3, 2018

The County Council and County Executive
of Prince George's County, Maryland

Council Resolution 51-1991, adopted June 25, 1991, requires the Office of Audits and Investigations to perform random financial audits of grants and transfer payments appropriated in the Non-Departmental section of the County's annual current expense budget.

We have examined the books and records of **FAMILY CRISIS CENTER OF PRINCE GEORGE'S COUNTY, INC.** for the period July 1, 2015 through January 31, 2018. Our examination included such tests of the accounting records and such other auditing procedures as we considered necessary under the circumstances.

We noted several matters involving the Prince George's County grant to Family Crisis Center. As a result, we were unable to determine whether the County grant funds were used *only* for its intended purpose. These matters are described in the Findings, Comments, and Recommendations section of this report.

This report, in our opinion, fulfills the requirements of Council Resolution 51-1991 concerning random financial audits of grants and transfer payments made pursuant to the Non-Departmental section of the Prince George's County, Maryland, fiscal years 2016, 2017, and 2018 Approved Current Expense Budgets.

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EXECUTIVE SUMMARY

The Family Crisis Center of Prince George's County, Inc. ("Family Crisis Center" or "FCC") received a total of $2.3 million in grant funds from the Prince George's County Government between FY 2014 and FY 2018. During our audit, we noted several matters involving the grants provided to FCC. A summary of these issues is provided below. Details of the matters noted can be found in the following report.

- Basic internal controls, such as maintaining updated written procedures and appropriate documentation, and supervisory review and approval of expenses prior to payment were lacking.

- The Family Crisis Center lacked an active and involved Board of Directors. The Board members are not fully aware of its responsibility for setting policy and for the financial sustainability of the organization.

- There is a lack of segregation of duties (the former Executive Director made many major decisions without Board approval and was the only signor on agreements, contractual obligations and checks for the organization). Additionally, human resources and payroll functions, and bookkeeping and reconciliation functions were not properly segregated.

- The Family Crisis Center did not maintain adequate financial records. Key financial documents (i.e. the income statement, balance sheet, budget reports, and annual financial statements) were not prepared and maintained by the organization consistently and presented to the Board of Directors on a timely basis.

- Control weaknesses in the area of human resource management exists, such as undocumented salary rates and salary enhancements, increases in salary not properly supported by written performance evaluations, evidence of criminal background checks were not maintained in the personnel files, and the written procedures related to personnel and payroll were outdated.

- Adequate documentation was not maintained for the operating expenses reviewed (i.e. documented business purpose, copies of checks written, receipts, reimbursement request forms, etc.)

- The organization's core mission, <u>providing emergency shelter for domestic violence victims</u>, had not received adequate attention and dedicated funding for maintenance, repairs, and operations during the period under review. Furthermore, we noted that the documented grievance process was not clearly communicated to shelter residents.

- Expansion of services provided by FCC were made, despite challenges and concerns about the organization's ability to operate the emergency shelter and its ability to continue as a going concern.

- Program Monitors identified multiple issues during routine site visits to the emergency shelter that required action by the FCC. Documentation to support follow-up site visits conducted by the Department of Family Services (DFS) could not be located in the grant files.

The major areas of concern require further investigation by the County Government and remedial action by the organization. The following recommendations are discussed in the report:

- Require the Family Crisis Center of Prince George's County, Inc. to demonstrate the existence of a sound accounting and internal control system, prior to distributing any additional grant awards.

- The Family Crisis Center's Board of Directors should be evaluated and strengthen to ensure the Board can provide the appropriate oversight of the organization.

- The Family Crisis Center should take the necessary steps to ensure that a sound accounting and internal control system is in place to properly account for grant funds.

- The Family Crisis Center should engage an independent Certified Public Accountant in good standing to perform financial statement audits for FY 2016 and FY 2017.

- The Family Crisis Center should disallow the practice of advancing payroll or develop policies and procedures in place to govern this process, if it determines this practice should continue.

- The Family Crisis Center should seek to secure the fiscal resources necessary to fulfill its core mission.

- The Family Crisis Center should prioritize the services that it can provide, particularly services that expand beyond the organization's core mission.

- The Family Crisis Center should ensure that its documented grievance process is clearly communicated to clients and that the organization has a documented method for tracking and resolving concerns.

- To ensure more effective monitoring, the Department of Family Services should conduct timely follow-ups to routine site visits to ensure deficiencies noted are addressed and a plan is made to prevent similar issues from reoccurring. Follow-up visits should be clearly documented in a written report to the FCC and copies of all reports should be maintained in the grant file. Site visit reports can be further enhanced by including dated photographs of the noted deficiencies. Additionally, DFS should consider more forceful action (i.e. more frequent site visits, escalation of communication to those in a position to implement change, and/or withholding, delaying, or reducing grant payments) if reported issues continue to remain unresolved.

ACKNOWLEDGEMENT

Sincere appreciation is extended to the Audits and Investigations team – Jude S. Moise, Senior Auditor and Nana K. Boadu, Auditor – who contributed to the findings, comments, and recommendations presented in this audit report.

Family Crisis Center of Prince George's County, Inc.

BACKGROUND

The Family Crisis Center of Prince George's County, Inc. ("Family Crisis Center" or "FCC") is a 501 (c)(3) that was ***established in 1981 to provide emergency shelter to families fleeing domestic abuse***. The organization, which is located in Brentwood, MD, has since expanded to provide other services that help survivors heal and establish an abuse free life. The organization's mission is to promote and facilitate the elimination of domestic violence by providing counseling, education, and support services to men, women, and children.

The core programs offered by FCC are a 24-Hour Crisis Prevention Hotline, Safe Passage Emergency Shelter (SPES), Lethality Assessment Program (LAP), and Family Violence Intervention Clinic (FAMVIC).

The 24-Hour Crisis Prevention Hotline is the first point of contact to FCC for individuals looking for help, support, or information. The staff is available to help individuals in crisis discover the skills and resources that they need to allow them to develop solutions to maximize self-sufficiency.

SPES provides housing for people escaping domestic abuse situations. Trained staff and clinicians provide individual and group counseling, case management and other supportive services to empower individuals to become self-sufficient.

The LAP seeks to prevent domestic violence homicides, serious injury, and re-assault by encouraging more victims to use the support and shelter services. The program is performed in partnership with the Maryland Network Against Domestic Violence, the Prince George's County Police Department, the Prince George's County Office of the Sheriff, and various municipal law enforcement agencies.

FAMVIC offers services that are designed to ultimately end abuse in intimate relationships. Intensive individual and group therapy sessions are offered to both victims and abusers, in English and Spanish. The programs offered include Survivor's Program, Abuser Intervention Program, Anger Management Program, and Programa de Services en Langley Park.

FCC is governed by a board of volunteer directors who serve without compensation. The Board of Directors has the authority to establish and execute any financial policies it deems to be in the best interest of the organization.

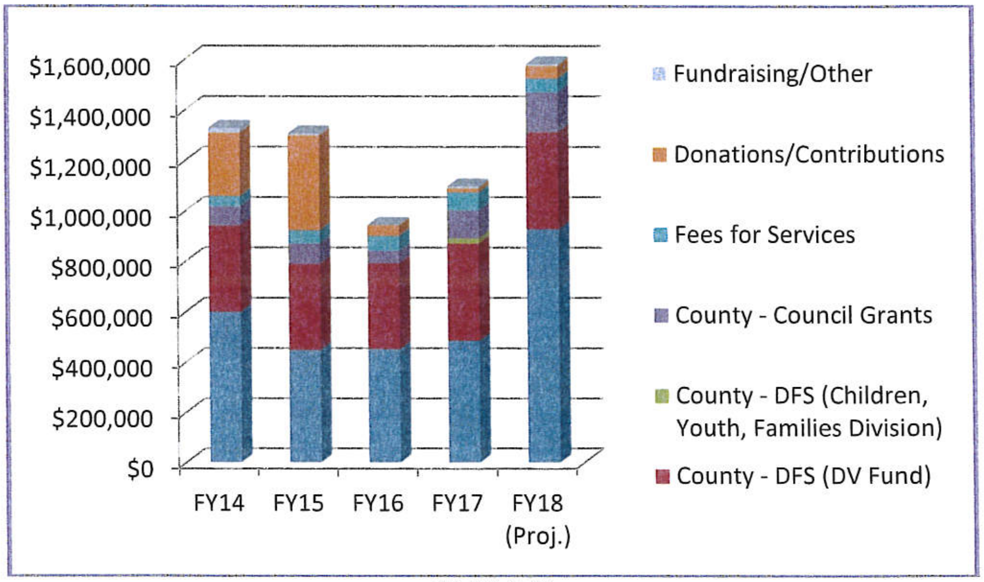
FUNDING

The Family Crisis Center is primarily funded by government (Federal, State, and Local) grants. In FY 2018, the FCC anticipated receiving 93% of its revenue from these sources. Federal grant awards, which comprise almost 60% of the organization's total funding, are administered to the FCC by the State of Maryland. The FCC also provides certain programs and services within the scope of its mission, for a fee, and receives donations and contributions to support its operations. See the allocation of the organization's total funding, by source, for the last five years in Exhibits 1 and 2 on the following page.

Funding Source	FY14	FY15	FY16	FY17	FY18 (Proj.)	FY18 (%)	5-Year Total
Federal/State	$600,973	$449,810	$453,512	$487,704	$929,328	59%	$2,921,328
County - DFS (DV Fund)	341,401	340,000	340,000	385,060	385,000	24%	$1,791,461
County - DFS (Children, Youth, Families Division)	-	-	-	21,221	-	0%	$21,221
County - Council Grants	77,000	82,500	50,000	110,000	158,630	10%	$478,130
Fees for Services	41,550	52,764	59,562	71,047	54,398	3%	$279,321
Donations/Contributions	250,749	376,673	41,374	16,481	49,879	3%	$735,156
Fundraising/Other	19,695	7,965	1,653	8,328	6,791	0%	$44,432
Total Revenue	**$ 1,331,368**	**$ 1,309,712**	**$ 946,100**	**$ 1,099,842**	**$ 1,584,027**		**$ 6,271,049**

Audited Financial Statements (FY14 and FY15)
Unaudited Financial Statements (FY16 and FY17)
FY18 Budget

(Exhibit 1)



(Exhibit 2)

The Prince George's County Department of Family Services (DFS) manages the Domestic Violence Fund – a special revenue fund primarily supported by the State imposed marriage license fee. According to Md. FAMILY LAW Code Ann. § 2-404, a fee of $10 is charged by county governments for a marriage license. However, the law allows the Prince George's County Council to impose an additional fee of up to $60 "for battered spouse shelters and domestic violence programs". The majority of the revenue in the Domestic Violence Fund is allocated to the Family Crisis Center annually to operate the County's only domestic violence shelter and to provide counseling for domestic violence victims, their children, and the abusers. The DFS provided a total of $1.8 million to the Family Crisis Center over the last five fiscal years (See Exhibit 1).

The Prince George's County Government's Non-Departmental budget includes funds to fulfill grant requests received from County non-profit organizations. In 2016 and 2017, the Family Crisis Center submitted grant applications to the Prince George's County Council's Grant Coordinator requesting several grants ranging from $50,000 to $108,630, to support its non-profit operations, as well as to expand its services and begin operating a facility in the southern region of the County.

The Prince George's County Council awarded nine (9) grants totaling $478,130 to the Family Crisis Center during the fiscal years 2014 through 2018. (Note that the scope of our audit only included a detailed review of FY 2016 through FY 2018 grant activity.) These grants were issued to FCC as shown in Exhibit 3 below.

Date of Award	Amount	Source
FY14	$75,000	Non-Departmental
FY14	$2,000	Special Appropriation
FY15	$75,000	Non-Departmental
FY15	$7,500	Special Appropriation
FY16	$50,000	Non-Departmental
FY17	$60,000	Non-Departmental
FY17	$50,000	Domestic Violence Grant
FY18	$50,000	Non-Departmental
FY18	$108,630	Domestic Violence Grant
Total	**$478,130**	

(Exhibit 3)

OBJECTIVE, SCOPE AND METHODOLOGY

The objectives of our audit were to: (a) assess the adequacy of the system of internal and management controls over grant funds received and expended; (b) assess whether grant related transactions occurred in a manner consistent with FCC's grant request application and other generally accepted business practices; and (c) identify factors inhibiting satisfactory performance in these areas, and make recommendations to protect the County's interest concerning the grant funds.

Our scope included all transactions related to the receipt and disbursement of the total grant funds received from the County Council and Department of Family Services between July 2015 and January 2018 (a total of $1,378,630).

The criteria used to evaluate the audit evidence gathered included:

- The grant request applications submitted by the Family Crisis Center;
- Grant agreements between the Department of Family Services and FCC;
- The United States General Accountability Office standards for internal control publication (GAO/AIMD-00-21.3.1); and
- Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector.

Our audit included interviews with key personnel of FCC and DFS, a review of FCC by-laws and established policies and procedures, and detailed tests including:

- An examination of the organization's monthly bank statements and the related transactions (July 2015 through January 2018);
- A review of available disbursement documentation;
- A review of available payroll documentation;
- A review of minutes for meetings held by the Board of Directors; and

- A review of established performance measures and related reports.

The majority of our field work related to the audit was completed on March 16, 2018.

FINDINGS, COMMENTS AND RECOMMENDATIONS

INTERNAL CONTROLS AND THE CONTROL ENVIRONMENT

An organization's control environment should establish the overall tone, awareness, and actions of the board of directors, management, and staff, concerning the importance of internal controls and its role in the organization. In an organization with a good internal control environment, responsibilities are clearly defined and authority is assigned to specific individuals to permit identification of whether persons are acting within the scope of their authority.

Auditing standards define internal controls as a process designed to provide reasonable assurance that entity objectives will be achieved, including the objectives of reliable financial reporting, compliance with applicable laws, and the effectiveness and efficiency of the organization's service delivery processes. The primary function of internal controls is to provide assurance that errors and irregularities may be discovered with reasonable promptness. When an organization does not have a good system of internal controls, it is difficult to determine that all transactions have been properly recorded.

Our review revealed that basic internal controls, such as updated policies and procedures, maintaining appropriate documentation, supervisory review and approval, etc. which serve as "checks and balances" were lacking within the organization. Although the Family Crisis Center had a formal accounting system in place (utilizing QuickBooks), we noted that the organization did not follow consistent accounting practices. The written procedures in place outlining the organization's financial practices and policies had not been updated since 2010. Written policies and procedures for personnel and the management of the shelter were also outdated (last updated October 2011 and November 2015, respectively). The *Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector* ("*Standards for Excellence*") states that the Board of Directors should "establish and periodically review the bylaws and policies to ensure the effective governance and management" of the organization.

Additionally, we noted that copies of the monthly bank statements for all of the operating accounts maintained by FCC were not retained, in accordance with the organization's documented record retention policy. Furthermore, bank reconciliations were not performed on a monthly basis (within 30 days of the end of the month), and reconciling items were not resolved in a timely manner. Reconciliations provided to A&I for review had unexplained differences ranging from $30 to $444,947. FCC staff reported that the unexplained differences were a result of information input into the accounting system in the years prior to the current Accounting Manager's tenure.

Bank reconciliations are an important process designed to uncover any old outstanding checks or deposits that need to be researched. It's also an important tool to help monitor the organization's cash flow, as your accounting records are likely up to date if monthly reconciliations are performed and reconciling differences are resolved in a timely manner. Ongoing monitoring in the course of operations, which includes supervisory review of reconciliations and other financial documents, is also important to assess the quality of financial information provided to Management, the Board, and other stakeholders.

The written policies and procedures provided to A&I during our review required reconciliations to be performed monthly and reviewed by the Board of Directors periodically. A *Business Record Retention Schedule* is also included in the policies and procedures, which requires the organization to retain bank statements and reconciliations for three years. The 2010 policies and procedures also require written requests and approval of expenditures prior to disbursement of funds. Good business practices also recommend monthly reconciliations, supervisory review to ensure accuracy and appropriateness of financial activity, and retention of financial records for at least three years.

ORGANIZATIONAL STRUCTURE AND CORE MISSION

Discussions held with current and former members of the Board of Directors, and a review of the minutes from the meetings held by the Board revealed the following areas of concern.

- Board members are not fully aware of its responsibility for setting policy and for the financial sustainability of the organization;
- The Family Crisis Center lacked an active and involved Board of Directors;
- Board members did not receive regular financial information as requested; and
- FCC expansion of the type of services it provides to domestic violence victims over the years was made at the expense of its core mission.

Although the Family Crisis Center has an existing Board of seven (7) members (as of March 15, 2018), the organization experienced significant turnover of Board members during the period under review. Based on a review of the list of Board members provided for each fiscal year under review, a total of 16 different Board members served in FY 2016, FY 2017, and FY 2018. Additionally, based on discussions held with Board members, it appeared that the oversight of the Board was lacking. The former Executive Director of the Family Crisis Center was primarily responsible for making decisions for the organization, and made major decisions regarding the use of funds and the future operations of the organization, even when the Board disapproved.

Although the Board continued to request financial information – the budget, cash flow statements, statement of assets, balance sheet, income and loss statements, and bank reconciliations – these pertinent documents were not provided to the Board prior to its monthly meetings, as requested. The Board also inquired about issues at the shelter, meeting key personnel within the organization, the former Executive Director's job responsibilities, and many decisions made by the former Executive Director (including the firing of key personnel and the purpose of "extravagant" celebrations) but did not receive adequate responses to their questions. It appeared the Board of Directors did not exercise its full authority over the organization and did not always hold the former Executive Director accountable for her actions, or lack thereof.
It also appears, based on a review of the financials and discussions with Board members, that the core mission of the organization has received less focus than initially intended by the founders of the Family Crisis Center. Since its inception, the scope of services provided by the organization has expanded to include wrap around services to both survivors and perpetrators of domestic violence. As a result, stakeholders (Board members, Community members, domestic violence survivors, etc.) have questioned FCC's dedication to addressing the original need – providing a place for women and children to go to flee from domestic violence.

According to the *Standards for Excellence,* a nonprofit should have a well-defined mission and programs that effectively and efficiently work toward that mission. The *Standards for Excellence* further state that the Board is responsible for ensuring that resources (financial and human capital) are used to carry out the mission of the organization.

Segregation of Duties

We noted that there was no segregation of duties regarding the handling of disbursements. The former Executive Director was the sole individual responsible for authorizing transactions and signing all checks, regardless of the amount of the transaction. We noted that checks for as much as $17,257 had been written by the former Executive Director during the period under review. We also noted that there were eight checks totaling $24,967 written to and signed by the former Executive Director during the audit period. (See the *Personnel* section of this report for more details.)

Inquiries of FCC staff revealed that the former Executive Director also had access to the organization's online QuickBooks and banking accounts. During the course of our audit, we verified that current access to the QuickBooks account is limited to the Accounting Manager and the auditor (limited access). Access to the online banking account is currently limited to the Accounting Manager.

During our review we also noted that the same individual responsible for entering and updating employee information in the organization's human resources system is also responsible for approving payroll and submitting the information to ADP for processing. Furthermore, the individual responsible for entering accounting transactions into QuickBooks is also the same individual responsible for reconciling the bank and accounting records.

Ideally, the organization's financial duties and other areas that deal with sensitive or valuable data should be distributed among multiple people to help protect the organization from errors, fraud, and waste of fiscal resources. For example, the employee record-keeping function (obtaining the names, addresses, salary, direct deposit information, etc. for all employees) should be separated from the payroll process, and check signers should not be involved in approving expenses or recording transactions into the accounting system. For smaller organizations that may not have enough personnel for a proper separation of duties, someone independent of these functions should review/reconcile posted transactions regularly, adding to the system of checks and balances.

Furthermore, access to the organization's information systems should be limited in order to reduce the risk of unauthorized transactions.

Key Financial Records

The grant awarded to the Family Crisis Center from the County's Department of Family Services, includes funding to hire an accountant and a bookkeeper (position currently vacant) to maintain the financial records for the organization. FCC also contracted an accountant to prepare its annual Federal Income Tax Form 990 and an independent auditor to conduct its financial statement audits.

We independently obtained and reviewed the Federal Form 990 for the years 2015 and 2016, compared the Form 990s to the organization's financial records, and noted no exceptions in the information reported.

We requested copies of the most recent financial audit reports and noted that the last audit conducted was for FY 2015. A draft of the FY 2015 audit report (a signed copy of the report could not be located by the organization and was not provided by the external auditor as requested) revealed that the organization experienced recurring operational losses, raising substantial doubt about its ability to continue as a going concern. Payments totaling $5,500 were made to the audit firm for the completion of the FY 2015 audit.

At the time of this report audits for FY 2016 and FY 2017 had not been performed. A payment in the amount of $2,750 was made in December 2017 to retain the firm's services for the FY 2016 financial statement audit. We also noted that the independent auditor hired to perform the financial statement audits was not licensed to practice as a Certified Public Accountant (CPA) in the State of Maryland as of August 2016. According to the organization's policies and procedures, a financial statement audit is required to be performed and a final report issued by November 1 following the end of the fiscal year. Furthermore, nonprofit organizations in the State of Maryland with annual revenue in excess of $500,000 are required to have their annual financial statements audited by a CPA.

During our audit we experienced significant delays in getting critical financial information, such as bank statements, reconciliations, and financial reports to perform our audit. FCC staff reported that many documents could not be located and that they were not sure where the former Executive Director maintained documents for the organization. Our review of the minutes of the meetings held by the Board of Directors also revealed concerns regarding "sloppy" or inadequate bookkeeping, which the external auditor reported as one reason for the delays in completing the financial statement audits in prior years.

Cash Receipts

We confirmed that County Council grant funds awarded to the Family Crisis Center were primarily deposited into the organization's SunTrust operating bank account. Two grant awards made during the audit period totaling $110,000 were deposited into another operating account once maintained by FCC. However we were not able to verify the deposits since all of the bank statements for that account were not provided for our review. We also noted that one grant award in the amount of $50,000 was improperly classified as "Contributions" in the organization's accounting system.

As previously reported, in addition to the grant funds that it received from the Prince George's County Council, FCC also received revenue from the Department of Family Services' grant funds, Federal grant funds, donations, and client fees for counseling services provided. **Schedule 1** includes the categories of revenues reported by the organization for fiscal years 2016, 2017, and FY 2018 (YTD).

CASH DISBURSEMENTS

The written procedures regarding the processing of cash disbursements had not been reviewed and approved by the Board of Directors since 2010, hence FCC staff relied on the guidance of the former Executive Director when processing expenditure payments. From July 2015 through June 2017, FCC incurred expenses totaling $2.3 million. **Schedule 1** includes the categories of expenses reported by FCC.

When payments for operating expenditures are made, the disbursement may be allocated between the various grants that it receives from the County and the Federal government. Based on our discussion with FCC staff we learned that the method for allocating the operating expenses between grants is not consistent. If funds are available within one grant budget or another, the organization may file a claim for disbursement from the grantee in any given month.

On the other hand, payroll costs for individual employees, which account for 64% of the organization's total budget, are not split between grants when claiming reimbursement from the grantees. Shelter staff members are paid through one of the Federal grants awarded to the FCC, while FAMVIC and administrative staff (i.e. the Executive Director, Accounting Manager, and the Executive Assistant) are paid through the grant funds provided by the County's Department of Family Services.

During the course of the audit, we reviewed all of the disbursements recorded in the check register and related bank statements from July 2015 through January 2018, compiled transactions into an Access database, performed data analysis to identify anomalies in expenditure transactions, and selected a sample of 40 operating expenses and 19 payroll transactions for testing. In determining our audit coverage, consideration was given to the fact that the State of Maryland recently conducted an audit of grant expenditures related to the Federal grants awarded to FCC.

For the sample of expenditures selected, documentation to support the transactions was requested to ensure that expenditures fell within the parameters of the organization's core mission and the County's allowable expenditures. For the sample of payroll transactions selected, payroll reports, time and attendance records, tax forms, and personnel files for a sample of employees were reviewed to determine the accuracy of the payroll transactions. Upon examination of the documents provided for the sample of transactions selected for testing, we noted various areas of concern.

Areas of Concern

Personnel

During the course of our review, we determined that the former Executive Director was signing checks, including payroll checks and one payroll advance, written to her. The payroll advance was authorized by the former Executive Director, not the Board of Directors.
FCC staff reported that the former Executive Director was the only person signing checks for the organization, regardless of the amount. However, the organization's written policies and procedures require checks written to the Executive Director to be signed by an authorized member of the Board of Directors. Checks over $1,500 also require the signature of an authorized Board Member. Based on a review of the check register provided, we noted that the former Executive Director signed nine (9) checks made out in her name, totaling $24,967, from

July 2015 through December 2017. We noted a total of 172 checks that exceeded $1,500 were written on behalf of FCC during the period under review.

Additionally, we noted that a disbursement in our sample was a payroll advance in the amount of $1,700 payable to another employee, with an agreed upon repayment schedule. However, we did not see the repayments deducted from subsequent paychecks for the employee and was not able to determine if the advance was repaid. We also noted that a check in our sample in the amount of $300 was written to the same employee as prepayment for shelter expenses. However, receipts for purchases made were not provided to Accounting to document the shelter expenses. A total of 22 non-payroll checks totaling $10,267 were written to the employee during the period under review for various shelter expenses (groceries, supplies, clothing, etc.). With the exception of the check noted above, these items were <u>not</u> included in our sample for testing, therefore we were not able to determine the nature of the expenses.

We also reviewed a sample of payroll expenses and personnel files and noted the following:

- Personnel files did not contain evidence (signed offer letters) of authorized salaries for five (5) out of 15 employees reviewed;
- Personnel files did not include evidence of required background checks for seven (7) out of 15 employees reviewed;
- Personnel files did not include written performance evaluations or documentation of an authorized change in pay rate to support two salary increases during the period under review for the former Executive Director.
- Written documentation to support the salary increases made during the period under review for three other employees was also not documented in the personnel files. FCC staff reported that changes in salary rates were usually communicated by email from the former Executive Director.
- Personnel files did not contain pertinent employment documentation or could not be located for our review for two (2) out of 15 employees reviewed, including the former Executive Director.
- Gross Wages per the 2017 W2 for the former Executive Director did not include her final pay (issued on 12/21/17 as a manual paycheck). The final paycheck was subsequently included in the payroll report for the following pay period. As a result, FCC will issue an IRS Form 1099-MISC to the employee for the 2018 tax year to report this payment.

<u>Operating Expenditures</u>

During the course of the review, we categorized each expenditure into the following three classifications: allowable, questionable, or unallowable. We defined allowable costs as being consistent with the organization's mission and purpose of the grant, as well as having the appropriate supporting documentation. Questionable costs are defined as expenditures that may have been somewhat related to the organization's mission or purpose of the grant but had unacceptable supporting documentation or no documentation at all. Any checks (non-payroll) written out to the Executive Director or an employee were also deemed questionable. Unallowable costs are defined as expenditures that were not related to the mission of the organization or purpose of the grant and/or appeared inappropriate.

- Inadequate Documentation: The majority of the expenses reviewed did not clearly state the business purpose. Hence, verbal inquiries of the Accounting Manager about the nature of the transactions were used to determine whether the selected expense was allowable by the County grants. Check copies were not maintained with the expenditure packages, and in some instances contracts, invoices, expense reimbursement requests, etc., were not filed in the accounting office and could not be readily located. When we inquired about the missing documentation, representatives of the organization reported that they did not know where the former Executive Director maintained the information.

  We determined the following regarding supporting documentation for our sample (See Exhibit 4):

Documentation Type	*Amount*	*# of Sample Items*	*Percentage (of $ Sampled)*
Questionable			26%
No documentation	$ 8,765	9	
Insufficient documentation	20,555	6	
Allowable	80,591	25	72%
Unallowable	2,187	2	2%
Total	**$ 112,097**	**40**	

(Exhibit 4)

- Included in the "Unallowable" category above, we identified one purchase, an Apple iPad, in the amount of $487 that was made in April 2017 to support FCC's outreach efforts. FCC staff reported that the device was primarily used at its outreach events to allow electronic sign-up by participants. During our review, we attempted to locate the device and was informed that staff did not know where the iPad was. FCC staff reported that the last time they had seen the device was with the former Executive Director at a December 2017 meeting of the Board of Directors.

- Also included in the "Unallowable" category above, is the payroll advance in the amount of $1,700 made to the employee that was not repaid. (See *Personnel* section of this report for more details.)

- Unauthorized Contracts: We noted that contractual agreements, including the lease for the expansion into the southern region of the County, were signed by the former Executive Director. However, according to the organization's by-laws, all contracts and agreements in the name of FCC must be approved by the Board (as evidenced by the President's signature).

- Lack of Supervisory Review – During our review of expenditures we noted that invoices were not reviewed and approved (as documented by signature and approval date) by the department heads, several expenditures could not be identified by FCC staff, and incorrect invoice amounts were paid. The lack of oversight is likely the result of not having clear policies and procedures in place for processing disbursements. Accountability for purchases made on behalf of the organization ensures that the appropriate FCC personnel authorize, review, and approve invoices for payment based on approved budgets, signed agreements, contract terms, etc.

- Debit Card Usage – During our audit we also learned that the debit card (or associated card number) for the organization's operating checking account was being used by three staff members of the organization. The former Executive Director (and now the Interim Executive Director) had possession of the card, while two other employees made purchases online for the organization using the card number. After charges are incurred on the account, the employees are responsible for providing Accounting with receipts to support the purchases. This practice was not performed consistently, making it difficult to monitor/control purchases made on behalf of the organization. Furthermore, this practice does not require prior approval for purchases, timely submission of receipts for review and posting into the Accounting system, or a consistent format to ensure adequate documentation to support the business purchases are provided.

We identified one unexplained purchase in our sample in the amount of $777 that was made in April 2017 with the debit card. Current FCC staff could not locate documentation to support the expense, were not aware of the purpose for the purchase, and concluded that the purchase must have been made by a former employee who also had access to the card number. Policies should be in place that determine to whom cards will be issued and for what purpose, require the appropriate authorization prior to purchase, places limits for purchases made with the debit card, requires that receipts to support purchases be submitted in a timely manner, and requires that reconciliation of the bank account occur regularly to ensure expenditures are appropriate, properly supported, and accurately recorded in the accounting system.

- Inappropriate Use of FCC Assets: During our review we learned that a donated vehicle, a white Chevrolet Equinox, received in January 2017 had not been registered with the Motor Vehicle Administration (MVA) by the organization at the time it was donated. The organization also owns another vehicle (white Honda Odyssey) which was registered and for which insurance was being paid, but the van was inoperable. FCC staff stated, per the former Shelter Manager, that the donated vehicle was also not operable. It was later revealed that the Shelter Manager was driving the donated vehicle with tags from her personal vehicle (same make and model). As a result, the employee was terminated in November 2017. We confirmed during our audit that both vehicles are currently parked at the shelter. FCC staff reported that they are working to properly register and title the operable vehicle with the MVA.

- Entertainment/Special Events – FCC expenses for FY 2016 through FY 2018 (YTD) include expenses identified as Entertainment and/or Event expenditures (see Exhibit 5 below). Based on discussions with the Board, the special events were believed to be fundraising events for the organization. However, budget details and the amount of funds raised from the events were not provided to the Board when requested. Members of the Board thought the events were “extravagant” and the costs unnecessary given the organization’s ongoing financial troubles. Details of the Special Event revenues and expenses recorded in FCC’s financial system (unaudited) are provided below.

Category	***FY16***	***FY17***	***FY18 (YTD)***
Revenue			
Special Event Ticket Sales	*$ 1,653*	*$ 3,020*	*$ 2,636*
Expenses			
Entertainment	*$ (1,771)*	*$ (8,741)*	*$ (450)*
Event	*$ -*	*$ (1,054)*	*$ (18,797)*
Total	**$ (1,771)**	**$ (9,795)**	**$ (19,247)**

(Exhibit 5)

- Inconsistent Cost Allocation – As previously reported, disbursements for operating expenses may be allocated between the various grants awarded to FCC and the method for allocating the operating expenses between grants is not consistent. The basis for cost allocation of operating expenses incurred by the organization should be clearly documented. Fiscal policies should define the costs that are typically allocated and how they are calculated to ensure consistency from month to month.

OTHER ISSUES

Emergency Shelter

The Family Crisis Center's core mission is to provide an emergency shelter for women and children fleeing from domestic violence. At the Safe Passage Emergency Shelter (SPES), women are provided with more than beds, meals, and laundry facilities. Case managers work with shelter residents to identify the family's needs, provide group and individual counseling to shelter residents, and work with shelter residents to develop a plan for continued support beyond their stay at the shelter. The organization's goal is to provide shelter residents immediate shelter and access to the resources needed to allow them to leave the shelter within 97 days.

As previously reported, the organization has operated for years in a deficit and is struggling financially to keep the emergency shelter open. Based on our review of the organization's unaudited financial information, the following costs to operate the shelter were reported:

Expense Category	*FY16*	*FY17*	*FY18 (As of 1/31/18)*
Personnel - Safe Passage	$ 385,741	$ 433,425	$ 167,992
Operating Expenses - Safe Passage			
Shelter - Program Expenses	57,045	65,775	21,098
Repairs/Maintenance	33,012	9,096	17,898
Insurance	14,940	6,645	-
Security	12,495	45,395	32,205
Equipment Rental	6,631	2,429	-
Consulting/Professional Fees	14,859	18,516	5,625
Office Expense	6,611	3,723	-
Telephone	2,084	1,245	3,796
Alarm	10,478	7,212	2,081
Advertising/Marketing	4,634	1,747	-
Other	9,471	4,364	-
Property Tax	627	388	123
Total Operating Expenses	172,887	166,535	82,827
TOTAL EXPENSES	**$ 558,628**	**$ 599,961**	**$ 250,819**

(Exhibit 6)

Given the numerous issues addressed throughout this report and the significant number of expenses classified as "Unspecified" in the organization's accounting system, **we are not able to determine the actual annual cost required to operate the SPES**.

During our review, we also inquired about the organization's process of tracking and resolving issues/concerns that residents or participants of its programs have experienced with the services (including shelter conditions) provided. We noted that the FCC's Client Grievance Procedure was not documented in the Resident and Communal Living Guide provided to clients during intake. The organization also did not have a documented process in place to track reported issues, concerns, etc. and to prohibit retaliation against persons reporting known or alleged issues or improprieties.

South Clinic Expansion

Grant funding in the amount of $108,630 was provided by the County Council in October 2017 to support the expansion of services provided by the Family Crisis Center into the County's southern region. In its grant application the organization reported that the overall goal of this location, the Family Crisis Center of Prince George's County Safe Clinic – South (FSCS), would be to provide access to services including lethality assessment, safety planning, group and individual counseling, and life skills development, with emphasis on financial and professional development. The grant requested by FCC was to fund salaries for a Service Coordinator and a contracted licensed clinician, in addition to funding the purchase of computers, and rent, telephone and internet service for the facility.

A review of the minutes of the Board of Directors revealed that the Board unanimously disapproved of the organization expanding services when it continued to experience challenges managing the emergency shelter. However, during our review we learned that the former Executive Director signed a lease agreement with AWE-AR IVERSON MALL, LLC for approximately 590 sq. ft. of space to expand domestic violence services in Temple Hills, without the appropriate approval by the Board of Directors.

The two-year lease agreement, at a monthly base rate of $850, was signed on December 7, 2017. The agreement also requires FCC to pay, as 'Additional Rent', an operating cost escalation (all costs and expenses incurred by Landlord in the operation, management, repair, protection and maintenance of the Building).

Additionally, FCC reported that funds were expended to purchase the following for the new facility:

Description	***Amount***	***Vendor***
Computers/Monitors	$ 2,388	TechSoup
Office Supplies	$ 411	Staples
4 Chairs, mousepads, powerstrip	$ 322	Amazon
Signage	$ 33	VistaPrint
Total	**$ 3,154**	

(Exhibit 7)

Given the ongoing operational deficits experienced by FCC over the last several years, it is not clear how funding to support ongoing operations of the FCC South facility will be obtained.

DFS Oversight

The scope of services provided under the grant agreement between the Department of Family Services (DFS) and the Family Crisis Center includes domestic violence counseling services and emergency housing at the FCC's 55-bed shelter. Other services provided under the grant agreement, include therapeutic counseling, case management, limited transportation, advocacy, life skills and career development.

To ensure services are provided as required, FCC must submit programmatic reports to DFS of the status of services provided, as well as expenditure reports detailing costs incurred (in accordance with the approved grant budget) to provide these services. Additionally, FCC is required to participate in on-site and other program monitoring activities (scheduled or unscheduled) as determined by the DFS Program Monitor and must submit an independent financial audit report to DFS following the end of the fiscal year (no later than January 15th).

During our review, we obtained and reviewed a sample of programmatic reports submitted by FCC and site visit reports prepared by DFS to ensure sufficient oversight of the Family Crisis Center's operation of the emergency shelter occurred, as required by the grant agreement. We noted that monthly programmatic reports were submitted – although the reports were not always submitted timely, as reported by the DFS Program Monitor. We also noted that all subsequent site visits were not adequately documented in the grant files maintained by the Department of Family Services.

Review of four (4) site visit reports and subsequent follow-up reports for the audit period (when available) revealed that many reported deficiencies at the shelter had not been resolved and that Program Monitors continued to report these deficiencies, such as needed paint/drywall repairs, elevator repairs, flooring repairs, and cleanliness of the facility. Written responses to the reports were noted in the grant files, with the promise from FCC to correct the deficiencies. Also, as previously discussed, we requested recent financial statement audit reports and noted that the FCC had not had financial statement audits completed for the fiscal years under review (FY 2016 and FY 2017), as required by the grant agreement.

Effective site monitoring requires follow-up to ensure that any issues identified are properly addressed. FCC is required to respond in writing to site visit reports and provide corrective action plans to address reported deficiencies. The agreement states that grant funds will be released only if FCC is compliant with programmatic and all other financial reporting requirements, and that payments may be withheld, delayed, and/or reduced pending receipt of reports, other documents, or resolution of issues identified by the Program Monitor during a site visit. Furthermore, according to the grant agreement, failure to address reported deficiencies within 90 days could result in termination of the grant agreement.

We noted that all reports reviewed were addressed to the Executive Director. It is not clear whether the ongoing issues identified in the site visit reports were communicated to other authorities and decision makers for the organization.

Recommendations

1. The County government should **require the Family Crisis Center of Prince George's County, Inc. to demonstrate the existence of a sound accounting and internal control system** that can properly account for funding, and can document its financial operations, prior to distributing any additional grant awards.

2. The Family Crisis Center **should evaluate and strengthen its Board of Directors** to ensure the Board can provide the appropriate oversight of the organization.
   a. An effective non-profit board should determine the mission of the organization, establish management policies and procedures, and actively monitor the organization's allocation of resources to effectively and efficiently fulfill its mission. The Board should annually approve the organization's budget and the organization should be operated in accordance with this budget.
   b. Determine the appropriate people to sit on the board including those who have some expertise and experience working with the target population, those who have been involved in the community, and someone connected to the local government such as representatives of the agencies responsible for providing services to the target population.
   c. Based on the criteria established above, identify gaps that need to be filled so that the Board can more effectively realize its mission.
   d. Review and amend the by-laws to ensure there is a process in place for retiring present Board members and nominating and electing new Board members.
   e. Ensure that all members of the Board "buy in" to the organization's mission, purpose, and function.

3. Family Crisis Center should take the necessary steps **to ensure that a sound accounting and internal control system is in place** to properly account for future funding that it may receive. A strong internal control system includes:

   a. Updating Written Policies – Non-profit organizations should have current written financial policies that address internal controls. Policies and procedures should be approved by the Board of Directors, communicated to all applicable personnel, and reviewed/updated periodically.

   b. Segregating key financial duties including authorization, custody, record keeping and reconciliation. It is ideal to arrange the work load so that no one person handles more than one type of function.

   c. Maintaining appropriate documentation to support revenue and expenditure transactions, including but not limited to bank statements, check copies, signed employment agreements, signed contract agreements, signed loan agreements, receipts for travel and entertainment expenses, detail information regarding individual and corporate donor payments and other funds received. Documentation should be maintained for a period of at least three years after the tax return is filed, in accordance with IRS guidelines.

   d. Financial Reporting – A non-profit organization should create and maintain reports on a timely basis that accurately reflect the financial activity of the organization. Internal financial statements should be prepared at least quarterly, should be provided to the Board of Directors, and should identify and explain any material variation between actual and budgeted revenues and expenses.

e. Debit Card Usage – The use of debit (or credit) cards should be controlled to decrease the possibility that the cards will be used for improper purchases. The organization should limit the number of debit card users and set written policies regarding their use. Statements should be reviewed by someone other than the card users and the reviewer should confirm that each charge is supported by a receipt and documentation of the business purpose of the expense.

4. Family Crisis Center should **have financial statement audits performed by an independent Certified Public Accountant** in good standing for FY 2016 and FY 2017. The Board should hire the auditor, should approve the audited financial statements, and should receive a copy of the management letter (if any). Additionally, the Board should monitor the implementation of any audit recommendations made.

5. The Board of Directors should **disallow the practice of advancing payroll** to employees. If the Board determines that this practice should continue, it should develop and implement a payroll advance policy that clearly states that the amount of money advanced to an employee will be deducted from the next paycheck. The policy should also include a provision for recovery of the money if the employee should leave the organization, such as a deduction from the final pay.

6. To ensure financial sustainability, the Board of Directors for the Family Crisis Center should **seek to secure the fiscal resources necessary to fulfill its core mission -** providing emergency shelter to families fleeing domestic abuse. The Board should also consider making difficult choices related to its current expenses in order to ensure that the organization is able to meet its financial obligations.

7. Given the ongoing operating deficits experienced by the organization, the Board should **prioritize the services that it can provide and make efforts to manage "mission creep"** – the expansion of the organization's mission beyond the original goals that were set. The Board should consider partnering with other organizations on the same mission that have dedicated funding and have proven positive outcomes of providing other needed services for domestic violence victims, in order to ensure current available funding is directed to its core mission.

8. The Family Crisis Center should ensure that **its formal grievance process is clearly documented in the "Safe Passage Emergency Shelter Resident and Communal Living Guide" provided to clients during intake** to ensure participants are aware of the organization's grievance process. Additionally, the means for tracking issues/concerns and how those issues were resolved should also be clearly documented. Documented procedures should be communicated to participants and incorporated into the Family Crisis Center's policies and procedures manual for employees responsible for providing services to the target population.

9. The Department of Family Services (DFS) should **ensure follow-up visits are clearly documented in a written report** to the FCC and ensure that copies of all reports **are maintained in the grant file**. Site visit and subsequent follow up reports produced by DFS can be further enhanced by including dated photographs of the deficiencies noted.

Additionally, if reported issues continue to remain unresolved DFS should consider more forceful action, including more frequent site visits, communication to those in a position to affect change for the organization, and/or withholding, delaying, or reducing grant payments.

10. The Board of the FCC should **periodically request copies of the site visit reports** from the Executive Director to ensure issues identified in the reports are brought to their attention, adequate corrective action plans are developed, and timely resolution of deficiencies noted occur.

Schedule 1

Description	FY 2016	FY 2017	FY 2018 (As of 3/31/18)
Income			
Client Fees	$ 59,562	$ 71,047	$ 37,157
Contributions	-	-	5,481
Federal Government	422,658	487,704	250,099
State Government	30,854	-	-
Foundation Income	21,730	8,532	-
Fund Raising	1,653	6,695	2,636
Local Government	340,000	406,281	189,162
Local Government - County Council Grants	50,000	110,000	158,630
Business/Individual Contributions	17,089	16,481	851
Interest Income	10	18	14
Miscellaneous Income	2,544	(6,917)	120
TOTAL INCOME	**$ 946,101**	**$ 1,099,842**	**$ 644,150**
Expenses			
0913 Event	$ -	$ 1,054	$ 18,797
5010 Advertising & Promotions	2,250	8,987	13,291
5020 Alarm Expense	10,838	7,616	3,627
5021 Security Service Expense	12,495	45,395	47,865
5040 Audit & Legal Fees	4,700	17,350	5,500
5070 Conferences	663	1,269	175
5080 Consultants	35,433	19,798	10,135
5090 Depreciation Expense	68,144	66,559	-
5110 Employment BackgroundCheck	1,567	1,536	2,396
5115 Employee Testing	1,287	781	356
5150 Fund Raising Expense	-	-	2,999
5180 Hardware/Software	1,276	19,823	4,736
5190 Insurance	33,666	41,030	23,752
5210 Interest Line of Credit	5,376	7,495	2,016
5240 Licenses and Permits	1,099	-	-
5250 Miscellaneous Exp.	1,716	7,743	319
5260 Meals	31	143	507
5261 Entertainment	1,771	8,741	450
5270 Office Expense	6,212	8,738	3,160
5280 Office Supplies	5,493	10,561	6,341
5291 Salaries	616,059	682,649	269,159
5290 Other Payroll Expenses	78,075	83,658	124,498
5330 Professional Fees	45,558	34,965	15,490
5340 Processing Fee	4	300	-
5350 Program· DFS School	-	212	-
5390 Program- Shelter Exp.	57,649	68,083	25,013
5410 Recruiting	660	180	-
5420 Repairs & Maintenance	33,306	10,497	29,168
5431 Rent Expense	225	2,000	1,700
5460 Staff Appreciation	-	2,741	58
5481 Property Taxes	897	4,316	2,965
5490 Telephone Expense	10,472	10,602	11,716
5500 Training/Seminar	861	5,292	350
5511 Client Rent Assistance	100	-	-
5520 Travel (Local)	135	90	313
5521 Lodging	-	763	-
5530 Travel Conferences	184	116	4,274
6120 Bank Service Charges	2,375	2,511	2,312
6160 Dues & Subscriptions	1,322	3,678	2,400
6170 5120Equipment Rental/Lease	12,501	9,908	7,284
6300 Equipment Repairs & Maint.	-	3,722	-
6770 Supplies	198	812	102
6780 Marketing	7,287	22	4,000
7001 Late Fees	1,402	1,021	385
Employee Reimbursement/Continued Educ.	-	5	500
Staff Meeting	-	1,494	719
TOTAL EXPENSES	**$ 1,063,288**	**$ 1,204,255**	**$ 648,827**
Net Profit (Operating Deficit)	**$ (117,187)**	**$ (104,413)**	**$ (4,677)**

Source: Unaudited 2016, 2017, and 2018 (YTD) Profit and Loss Statements provided by FCC.

Family Crisis Center
of Prince George's County, Inc
3601 Taylor Street
Brentwood, MD 20722-1322

Admin: 301-779-2100
Hotline: 301-731-1203
Fax: 301-779-2104

Website: www.fccpg.org
Email: info@familycrisiscenter-pgco.org

To: The County Council and County Executive of Prince George's County, Maryland

From: Board of Directors, Family Crisis Center of Prince George's County

Date: May 1, 2018

RE: Audit of Family Crisis Center of Prince George's County, Inc

On behalf of the Family Crisis Center of Prince George's County, Inc., (FCC) we sincerely thank the Prince George's County Office of Audits and Investigations for the due diligence exhibited in conducting an audit of the organizations above named grant. FCC is in agreement with the findings identified in the report. We submit for your approval the following Audit Response based on the recommendations identified.

Recommendations 1, 3, 4, 5 & 10 - Internal Controls and the Control Environment

The Family Crisis Center has secured a contract with an external CPA firm, Donald L. Wood CPA & Associates (licensed in the State of Maryland) to assist the FCC in developing appropriate internal control policies and procedures and provide third party oversight of the accounting functions of the organization. The estimated contract initiation date is May 4, 2018. Within this contractual relationship, the CPA will be given access to the audit document in order to assist in developing the necessary protocols that will help move the organization forward. This firm will also be engaged to conduct a full review of 2015 – 2018 transactions for any additional improprieties requiring further investigative or legal responses.

The additional recommendations of the audit report, including segregation of duties, key financial records, cash disbursements and receipts, will be addressed through the implementation of the contractual agreement with the CPA firm. Staff will be appropriately trained to implement the new policies and procedures.

Audits The FY2016 audit is expected to be completed by May 4, 2018. A new audit firm has been secured and will begin work on the FY 2017 audit on May 8, 2018. Results of both audits will be provided to all funders as soon as it is available.

Payroll Advances – Previous payroll advances were made without the knowledge or authority of the Board of Directors. On April 20, 2018 it voted unanimously to disallow the practice. This will be addressed in the revised internal control policies and procedures.

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Site Visit Reports – The Board of Directors will require the Executive Director provide notification of site visits by funding agencies and copies of all site visit report as part of the standing board agenda.

Recommendation 2, 6, & 7 - Organizational Structure and Core Mission

The audit identified several issues related to Board Capacity and the programmatic components that were outside of the organization's core mission. The current Board of the FCC reviewed the findings in careful detail. The audit revealed a number of issues that demonstrated the challenges the organization has had in finding appropriate executive leadership and in providing necessary oversight of the executive. This reinforces information that has been provided from our interim leadership team, Michele S. Williams, LLC. At this time the current Board Members have determined that it does not contain the required skillset and would have difficulty recruiting individuals with the needed skills to assist the FCC in moving past its current state. It has also been examined and realized that a complete restructure of program offerings of the organization will be difficult, as the FCC has developed a reputation (per se) for the services historically offered. Therefore, the Board has decided to pursue a full merger with Community Crisis Services, Inc. This organization has expressed interest in this merger opportunity and currently has the capacity to absorb the current mission of FCC.

Recommendation 8 – Formal Grievance Process

The Safe Passages Emergency Shelter Resident and Communal Living guide is in final stages of revision and will clearly outline the program's participant grievance process. The interim leadership team has developed a tracking system for participant grievances and will ensure that participants are informed of the grievance process in writing at the time of intake. Additionally, the grievance procedures will be posted in all shelter common areas.

Again, we sincerely appreciate the efforts of the audit team and the support of the Prince George's County Council during this process. It is our goal to secure these critical services for the residents of Prince George's County are provided appropriately and responsibly well into the future. For additional comments or questions, please contact Michele S. Williams, Interim Executive Director via phone at 301-779-2100 or via email at Michele.Williams@fccpg.org.

Sincerely,

Charline Jacob
Acting Board President

Andrea E. Morris
Board Vice-President

THE PRINCE GEORGE'S COUNTY GOVERNMENT

Department of Family Services

Rushern L. Baker III
County Executive

MEMORANDUM

TO: David H. Van Dyke, County Auditor
Office of Audits and Investigations

Turkessa M. Green, Deputy County Auditor
Office of Audits and Investigations

THRU: Betty Hager Francis, Deputy Chief Administrative Officer
for Health, Human Services and Education

FROM: Elana Belon-Butler, Director Elana Belon-Butler
Department of Family Services

DATE: May 2, 2018

RE: Office of Audits and Investigations – Family Crisis Center Audit Report

Thank you for the opportunity to respond to the Recommendation in the Family Crisis Center Audit Report which relates to monitoring of that non-profit organization by the Department of Family Services. Generally, the Department of Family Services is in agreement with the recommendation noted, however, the Department is not legally authorized to withhold or reduce grant payments under the current state law. **The 2013 Maryland Code Family Law § 2-404 - Fees for Licenses** states "the clerk shall pay the proceeds from the additional fee to the Director of Finance of the county, who shall distribute the proceeds to the Family Crisis Center of Prince George's County each month".[1]

Recommendation 9 – Follow-up visits are clearly documented.

Pursuant to A&I's recommendation, the Department of Family Services (DFS) will ensure that all follow-up monitoring visits are clearly documented in a written report which will be distributed to the Family Crisis Center Executive Director and the Chair of the Family Crisis Center Board. All monitoring reports, as well as follow-up monitoring reports, will be recorded within a standard template that is retained in the Domestic Violence and Human Trafficking division grant file. Additionally, the DFS grant monitor will include dated photographs of deficiencies noted during monitoring site visits and follow up site visit reports. Should deficiencies not be corrected within a mutually agreeable time frame, the department will request to meet with the FCC Board Chair to ensure they are aware of the deficiencies and to provide a corrective action plan.

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[1] https://law.justia.com/codes/maryland/2013/article-gfl/section-2-404/